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PROGRAMME PLANNING

Country and intercountry programmes and projects

FIFTH COUNTRY PROGRAMME FOR BANGLADESH*

Programme period	Actual resources programmed	$
	IPF	133 750 000
July 1991-June 1995	Other resources programmed	23 000 000
	Total	156 750 000

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* Other related data prepared as part of the country programming exercise are available on request.

I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

A. Current economic trends

1. In Bangladesh, development planning is undertaken amid severe resource constraints, acute vulnerability to external shocks and natural disasters, increasing poverty and rising pressure on resources and the environment.

2. Moreover, economic growth in the past two decades has only just kept pace with the considerable increase in population (from 71 million in 1971 to 114 million in 1989). As a result, average per capita income levels have stagnated (currently about $170) and any reduction in poverty levels has been insignificant compared to the absolute size of the problem (over 50 per cent live below the official poverty line). The devastating impact on the poor of recurrent natural disasters was re-emphasized in the 1987-1988 floods. At the international level, the terms of trade have worsened and the real value of development cooperation has declined, although it now constitutes over 93 per cent of development expenditures.

3. Fortunately for one of the world's poorest countries, recent trends have also been relieved by positive developments:

(a) On the economic front, a three-year policy framework paper/enhanced structural adjustment facility, negotiated with the World Bank and the International Monetary Fund (IMF), now supports measures to stabilize and improve the external payments balance. These measures are also expected to help to increase domestic resources available for development purposes through improved management of public resources and expenditures, including those provided as aid;

(b) In the last decade, the population programme has had considerable impact in raising contraceptive prevalence rate levels and immediate further improvements may be anticipated. The universal primary education programme, the expanded programme for immunization, and water supply programmes have also registered significant gains;

(c) In infrastructure, the development of roads and bridges, of natural gas production and distribution, and of irrigation systems has led to significant changes in the distribution pattern. This development has also stimulated economic growth. Further expansion of natural gas, oil and coal and non-traditional exports offer prospects for increasing industrial employment;

(d) Recent policy changes that afford the private sector greater scope, especially in agriculture, small-scale industry and services, have led to notable increases in production, especially in cereals;

(e) The drive to alleviate poverty has grown more certain, with several targeted programmes working well. In grass-roots development, Bangladesh has provided global leadership with its experience of non-governmental organizations (NGOs) able to offer the poor with no assets (especially women) access to credit, employment and income-creating opportunities. Faced with repeated natural

disasters, the people of Bangladesh have demonstrated their exceptional resilience and powers of recovery.

4. While these positive developments need to be sustained and deepened, the problems confronting Bangladesh are daunting. Among the nation's constraints, the most serious are:

(a) The majority of people in Bangladesh, especially women, continue to live below recognized poverty thresholds. The precarious balance between people and their supporting environment is challenged by demands that are at times irreconcilable;

(b) Technology is not sufficiently applied to development as a means of increasing productivity and expanding industry. Savings and investment rates are extremely low and severely inhibit economic growth;

(c) Low productivity and economic participation rates also reflect poor performance in human development. Larger investments are required in health, nutrition, education and literacy, shelter, sanitation, and water supply;

(d) Rapid migration from rural to urban areas has exacerbated urban poverty and increased economic inefficiencies by fueling the rapid expansion of a few urban centres;

(e) The role of women in Bangladesh development has been seriously underestimated and their potential contribution constrained by social, economic and cultural factors;

(f) In the absence of a consensus on social goals and strategies, and under the prevailing administrative culture, the management of development resources is not effective;

(g) Aid dependence has increased and development efforts are seriously limited by the lack of local resources to support even existing investments. Agreement on a new set of policies for aid programming and utilization is a prerequisite for greater aid efficiency and effectiveness.

B. National development strategies

5. The fourth Five-Year Plan of Bangladesh covers the period July 1990-June 1995. Its broad objectives have been established while its total resource envelope remains subject to review in the light of initial resource constraints. Plan objectives emphasize human development both as an end in itself and as a strategy for achieving goals. These objectives derive in part from the country's longer-term Perspective Plan (1990-2010), which stresses growth, poverty alleviation and self-reliance. Within this longer-term framework, the Five-Year Plan highlights strategies for overcoming the development constraints referred to in section A. The seven strategies to be pursued are:

(a) Integration of sectoral planning with socio-economic group-based planning; 1/

(b) Attainment of an intersectoral balance in sectoral planning;

(c) Creation of an "efficiency culture" 2/ in the economy;

(d) Integration of structural adjustment with real economic growth;

(e) Bringing women into the mainstream of development planning;

(f) Restructuring fiscal, monetary and commercial policies;

(g) Restructuring the administrative system.

6. Realization of the Five-Year Plan will depend on the success of the Government in expanding and diversifying sources of finance. The Plan accordingly defines strategies for (a) the public sector investment programme; (b) private sector investment programme; (c) community participation through NGOs; and (d) local level planning and resource mobilization.

7. Compared with the Perspective Plan, the Five-Year Plan introduces more specific strategies by recognizing the importance of different social groups and of the residual factor 3/ in development. Given the extreme socio-economic imbalances characteristic of Bangladesh, the Five-Year Plan acknowledges that human development among these different groups provides the surest means of transforming society. Technical cooperation should play an important part in this process by helping to create the capacities to design and implement measures to realize these seven strategic aims.

C. Aid coordination arrangements

Dependence on foreign aid

8. Bangladesh is heavily dependent on external aid for its economic and social development and, during crises, for its economic survival. As one of the poorest developing countries and the largest least developed country (LDC), the savings capacity of Bangladesh is insufficient to keep the economy from sliding backwards. The annual investment level has ranged within 13-15 per cent of the gross domestic product (GDP). The rate of domestic savings, on the other hand, has remained less than 3 per cent of GDP in most years. Substantial remittances by Bangladesh nationals working abroad have helped to raise the rate of national savings to about 6 per cent of GDP. The gap between investment and national savings is thus about 9 per cent of GDP and has been filled by foreign aid.

9. Foreign aid commitments to Bangladesh surpassed the $2 billion mark in the last two years. Actual disbursements, however, lagged behind commitments, amounting to about $1.6 billion. On the average, foreign aid accounts for about two-thirds of total investment, 90-100 per cent of public investment and 55-60 per cent of total imports.

Needs and objectives of aid coordination

10. Some 50 donors, including 28 bilateral, currently provide aid to Bangladesh. Five donors (Japan, Saudi Arabia, the United States, the Asian Development Bank (AsDB) and the World Bank) provide Bangladesh with approximately 65 per cent of Official Development Assistance (ODA). The largest 10 donors provide about 85 per cent of total aid. This complex aid relationship requires close coordination and cooperation among the donors to harmonize programmes and approaches.

11. The Government has the primary responsibility for coordinating its foreign aid receipts from initial proposals through negotiations to utilization. The volume and diversity of aid flows, however, also obliges donors to participate in collective aid negotiations with the Government and to implement aid in a coordinated manner. The Bangladesh Aid group, under the chairmanship of the World Bank, has furnished the principal aid coordination mechanism since 1974. In addition to the annual Consultative Group meeting, a local consultations group and its subgroups provide a forum for discussions on a wide agenda.

12. UNDP represents the United Nations system at the Consultative Group meeting, where the World Food Programme (WFP) also participates. At the local consultations group, other United Nations partners, including the United Nations Children's Fund (UNICEF) and the Food and Agriculture Organization of the United Nations (FAO) are members, with the Resident Coordinator inviting others as appropriate.

Aid utilization

13. In recent years, concern has grown about the performance of aid programmes, in the context of declining domestic resources for development and of the Government's difficulties in ordering its priorities and managing its development programmes. Improved performance is targeted in the overall fourth Five-Year Plan but will also require more immediate action to improve national capabilities, to set expenditure priorities and to streamline programming. At the macroeconomic level, such action has begun. The IMF/enhanced structural adjustment facility became operational in July 1990, as did the World Bank policy framework paper. With support from UNDP, the Government and donors have also reviewed extensively the effectiveness of different forms of recent aid to Bangladesh as summarized below.

14. WFP has sponsored a joint Government/donor group charged with reviewing the development impact of food aid. The group concluded that it is now vital to establish the potential of food aid as a resource for development by integrating it into national and local level planning. In line with fourth Five-Year Plan strategies, UNDP expects to support this new approach directly and through programmes in macroeconomic planning and decentralized participatory planning. UNDP will also support the redirection of food aid inputs in specific technical fields such as forestry, fisheries, water resources, rural infrastructure and shelter.

15. Commodity aid is of considerable importance to Bangladesh, although its volume is diminishing. A UNDP-supported study has led to improvements in the programming and utilization of commodity aid and further improvements are being introduced.

16. In respect of project aid for investment purposes, a joint Government/donor task force has adopted the recommendations of a UNDP-financed study on project aid, which are now being implemented. It is agreed that the large outstanding pipeline of commitments, close to $5 billion, makes it urgent for the Government to complete the prioritization exercise and for donors to adjust their project portfolios accordingly.

17. Key systemic issues brought out in the project aid study have also been highlighted in the 1990 study on the evaluation and impact of technical assistance to Bangladesh. Technical assistance represents almost 10 per cent of aid to Bangladesh. The Government therefore intends to reduce many of the constraints hampering the development process by issuing a distinct technical assistance policy that will acknowledge its role and sanction efficient procedures for its use. The new policy will be presented to the donors at a future meeting of the Consultative Group.

II. THE COUNTRY PROGRAMME

A. Assessment of the current country programme

18. The fourth country programme (July 1986-June 1991) was comprehensively assessed during the mid-term review held in April 1989. The findings were subsequently reviewed by the Governing Council in February 1990. The review surveyed the scope of UNDP-supported activities, identified the extent to which the country programme objectives and sector focus had been followed, proposed corrective adjustments and examined how far policy issues such as women in development, NGO collaboration and environmental matters were reflected in programme priorities. A 1990 update of the mid-term review provided further assessments which facilitated the preparation of the Advisory Note. Current and new programming activities reflect adjustments already made as a result of the review.

19. The formulation and implementation of the fourth country programme mirrored the deficiencies of the third Five-Year Plan. Programme formulation was weak because the project content was determined ahead of the selection of country programme objectives, as was the case in the third Five-Year Plan itself. The present country programme, in line with the draft fourth Five-Year Plan, attempts to be more specific about programme objectives as criteria for selecting and formulating projects.

20. In implementation, the fourth country programme was overly concentrated in the infrastructure sectors (26 per cent against 13 per cent programmed) and less than programmed in industry and agriculture. Similarly, in the Five-Year Plan, expenditures exceeded targets in the physical infrastructure sectors while in agriculture, employment and the social sectors they were below expectations. As a result of the mid-term review, as evident also in the preparations for the fifth country programme, new programming is shifting more towards objectives focused on human development, economic management and the environment (water and land in particular). The draft Plan shares a similar focus on strategies to emphasize

human development and economic and administrative restructuring. The main policy directives for UNDP globally are particularly relevant to the fourth Five-Year Plan of Bangladesh and reinforce the proposed priorities for technical cooperation in Bangladesh.

21. The fourth country programme succeeded in initiating major policy dialogues (e.g., the agriculture sector review and the flood policy study) which demonstrate an expanded role for UNDP in stimulating and supporting influential reviews of public policy, sector planning and development management. It also confirmed the importance of directing technical cooperation towards capacity-building through institution-building and training, including greater capacity for planning and programming resources at the central and local levels of government. This policy/programme-based approach is strongly recommended in the complex development environment of Bangladesh, with its multiplicity of donors and enormous development needs.

B. New programme proposal

1. The programming exercise

22. The medium-term review (1989) and the "Forum on Bangladesh in 2005", initiated by UNDP in 1989, helped to define numerous directions later signalled in the Advisory Note, which was completed in July 1990. Local studies were commissioned as part of the preparation for the fifth country programme. They will provide useful guidance for programme policy and operations, especially in respect of women in development, science and technology, environment, private sector access to technical assistance, and in such sectors as rural energy, and water supply and sanitation. Based on the draft fourth Five-Year Plan and the Advisory Note, all United Nations system organizations were invited to provide their inputs to the fifth country programme exercise. The External Resources Division requested ministries to identify technical assistance needs. Consultations were also held with bilateral donors. In keeping with the Plan, the fifth country programme focuses on areas of programme strategy and intervention rather than on individual projects, which will emerge subsequently as part of the normal programming process. As and when the Planning Commission articulates more clearly its priorities over the Plan period, so the various interventions of UNDP will also be further elaborated.

2. Framework for the fifth country programme

23. Lessons learnt through the fourth country programme, together with the impetus provided by recent General Assembly and Governing Council decisions, indicate the framework for policy and programming in respect of UNDP technical assistance in Bangladesh. The general principles underlying the management of the programme are:

(a) The objectives of the fourth Five-Year Plan strategies and programmes and annual development programme allocations constitute the national framework for the fifth country programme;

(b) The country programme management mechanism - consisting of a steering committee, in which the External Resources Division and the Planning Commission participate - should continue to focus on policy and programming issues through annual review, the mid-term review and quarterly meetings at the working level;

(c) The External Resources Division-sponsored group on Joint Consultative Group on Policy (JCGP) issues will continue to provide support to implement the provisions of General Assembly resolutions, including the harmonization of cycles and specific joint programming activities;

(d) The new technical assistance policy being introduced should be reviewed by an expanded Joint Programming group, to constitute an LCG subgroup on technical assistance;

(e) Given the importance of Bangladesh as a member of the LDC group and the outcome of the recent Second United Nations Conference on the Least Developed Countries, UNDP should increase its capacity to support government efforts to implement, monitor and review the implementation of the LDC action plan.

3. Implementation modalities

24. National execution will increasingly become the normal mode of project execution during the fifth country programme, providing a net transfer of management know-how over and beyond technical cooperation in specific fields. It is reasonable, therefore, to expect that the current number of approved and pipeline projects under national execution (12) will increase appreciably by the time of the mid-term review of the fifth country programme and that some 60 per cent of the programme will be so executed by 1995. Considerable support will, however, still be required from United Nations cooperating agencies. UNDP has commissioned a handbook on national execution in Bangladesh for government use. It has also assisted the Government to draw up a management framework and training programme for national project managers and senior officials, which will be introduced in 1991.

25. In programme/project design and implementation, increasing use will be made of local expertise, including NGOs. In screening and operationalizing the fourth Five-Year Plan and fifth country programme proposals, stronger demand-driven activities will be identified for such modalities as the Transfer of Knowledge through Expatriate Nationals (TOKTEN), United Nations International Short-Term Advisory Resources (UNISTAR), and Technical Cooperation among Developing Countries (TCDC).

26. Given the growth in the size of the programme and the need for streamlined management, efforts will be directed towards reducing the number and thereby increasing the average size of projects. During the fourth country programme, the average project size increased from $750,000 to $1 million and it is hoped that this encouraging trend will continue during the next country programme.

4. Programme resources, duration and criteria

27. The resources framework for the fifth country programme is given in the annex. The indicative planning figure (IPF) for the fifth programming cycle ($163.173 million) represents the second largest country programme and in the four-year period of the fifth country programme the resources available are expected to total some $133.75 million. Other possible resources from the Special Measures Fund for least developed countries (SMF/LDC), and Special Programme Resources (SPR) have not as yet been ascertained. Current commitments and allocations proposed for the fifth country programme total $155 million, leaving $1.79 million as an unprogrammed reserve. In addition, the Government has identified a second category of programmes and projects in line with fifth country programme objectives for possible cost-sharing and parallel financing. Since firm third-party funding for such programmes will be negotiated on a case-by-case basis, these potential resources are not shown in the annex. The Government has requested the good offices of UNDP in facilitating other donor support for these projects.

28. The fifth country programme period has been adjusted to dovetail with the fourth Five-Year Plan and is thus four, not five years, in span. The next country programme will therefore coincide with the full period of the next five-year plan.

29. The strategy and criteria governing the programming of UNDP assistance are based on the comparative advantage of UNDP as a partner in development, including its neutrality and its access to diverse sources of information and experience. UNDP should focus on assisting the Government in: (a) policy-level analysis, sector and thematic-based programming initiatives, master plans and reform programmes; (b) independent assessment of investment feasibility and support for studies in innovative areas; and (c) articulation and support to the strategies of the Plan, especially the focus on human development and adherence to needs assessments as forerunners to capacity-building in priority development programmes.

5. Main features of the programme

30. Three major country programme objectives match the emphasis of the Five-Year Plan on a more human-centred approach to development through growth with equity. These objectives, and the estimated share of programme resources they command respectively, are:

(a) Poverty alleviation and participation in development (28 per cent);

(b) Environmental and natural resources management (38 per cent);

(c) Economic management and administrative restructuring (27 per cent).

31. In programming technical cooperation for human development, the close links between poverty and such factors as population, the environment, structural adjustment and the socio-economic position of women, as well as other macroeconomic and thematic variables relevant to development in Bangladesh, need to be clearly articulated. These links are recognized in the fourth Five-Year Plan

and will be incorporated in the country programme. For the purposes of presentation, however, all these links are not repeated here.

Poverty alleviation and people's participation in development

32. Most Bangladeshis, especially women, continue to live below recognized poverty thresholds. Attempts to reduce poverty in the past have failed to reduce the absolute numbers of the poor and the present strategy of the Government is to tackle the problem both through programmes targeted on specific groups and by redirecting sector programmes having the greatest impact on the lives of the poor (see footnote 2). Both forms of intervention should be designed to emphasize social mobilization and community involvement.

33. The core of the poverty alleviation programme is productive employment. Well-established programmes in Bangladesh, many of them especially for women and often run by NGOs, have demonstrated how employment-based programmes make a difference. Increasingly, such programmes have also shown that the strength provided by employment is reinforced by targeted programmes in related sectors. Thus, credit, skill training, literacy, population services, health and nutrition (especially child health), the rigorous pursuit of affirmative action for women's rights, technology, marketing, productivity and infrastructure development, including shelter, water supply and sanitation, are also significant factors in permitting the poor to exploit employment opportunities. Apart from continuing to strengthen such programmes, a major new element introduced by the Government is to create demand through local-level participation in planning and decision-making.

34. Most of the donors support the multi-programme poverty alleviation strategies of the Government through selected activities. The role of UNDP, in association with United Nations system and other donors, is summarized as follows.

35. Employment. The previous and present Five-Year Plans have been weak in articulating and implementing an effective employment strategy to cope with new entrants as well as existing unemployed. A more concerted programming effort is required. The specific role for UNDP interventions based on experience available from the International Labour Organisation (ILO) would be:

(a) Employment programme planning, management, monitoring and evaluation, in both the Planning Commission and Ministry of Labour. The focus should be on district level and below (in cooperation with NGOs) and on reconciling macroeconomic policies with growth oriented, labour-absorbing employment strategies;

(b) Support for a national employment programme, including targeted programmes for women, youth and small farmers using group-based approaches to credit and extension, and including NGOs and cooperatives. Emphasis would be given to transforming the WFP multi-donor Vulnerable Group Development and Food for Work programmes from largely relief into wholly development programmes through implementation of the recommendations of the report on Strengthening the Institutions for Food-Assisted Development (SIFAD). Linkages with the development programmes of local government entities and sectoral ministries would also be established;

(c) Support for a national self-employment programme based on standard credit skills, management, and entrepreneurship training modules;

(d) Exploitation of the potential of small-scale and cottage industries, especially in product development, marketing and training, through existing UNDP-supported institutions and by linking industrial development opportunities to recent agricultural expansion and the meeting of basic needs;

(e) Development of a national skill-training policy and programme centred on a more responsive demand-based system in the industry sector and on self-employment programmes, especially in rural areas;

(f) A particular focus on women entrepreneurs and the development of employment opportunities in non-traditional occupations is essential in all the above.

36. Education. Vigorous efforts are being made to introduce compulsory primary education and to provide particular incentives for the girl child. These and other interventions are part of the action plan to implement the follow-up to the World Conference on Education for All, which has received concerted donor support. For its part, UNDP will continue to support planning, teachers training, curriculum research and institution-building aspects of the Government's programme. Interventions will include, in cooperation with UNICEF and United Nations Population Fund (UNFPA), improving the relevance of the primary school curriculum, similar work in upgrading technical and secondary education and strengthening literacy and basic education programmes. Increased opportunities for girls are a priority. Education planning, management (including management information systems), and distance education will complement the subsectoral programmes to build overall capacity to manage the rapidly expanding education system. Innovations in financing and greater community support, especially for basic education programmes, will be promoted.

37. Population, health and nutrition. These issues are critical to the Government's poverty alleviation programmes and multi-donor support is available, notably in population programmes and health. The major programmes of UNDP in employment, education, women in development and planning, as well as sectoral interventions in agricultural extension, fisheries and forestry, provide explicit areas for cooperation with UNFPA. This approach is reflected in the "beyond family planning" strategies of the UNFPA country programme formulated concurrently with this programme. Similarly, nutrition interventions will be developed with UNICEF and NGOs, which along with the expanded programme of immunization and maternal mortality reduction, are means of strengthening the poor and also establishing links to UNDP-supported programmes to increase food production.

38. In the health sector, local-level participation will be promoted as a means of raising demand and capacities at the base of the health system. Increased local production of supplies and improved management will help to increase supply capacity. Improved training of paramedical personnel and health administrators will be fostered and surveillance and information systems strengthened. The successful rural water supply programme of UNICEF needs to be matched by success in

sanitation. A UNDP-led sector study for the new decade is expected to yield ideas for support. Poverty is a natural counterpart to narcotic drug abuse. To limit this rapidly growing social menace, the United Nations Fund for Drug Abuse Control (UNFDAC) with UNDP support, will help the Government and communities devise appropriate strategies in each relevant sector. Donor support will be available to support this master plan for drug abuse control, for which UNDP is the local lead donor agency.

39. Infrastructure. Especially in rural areas, infrastructure is crucial for growth, employment and equity. To improve knowledge of local-level needs and how to meet them, UNDP will finance a major rural infrastructure study. Planning guidelines expected from this work will support the redesign of national programmes, including those supported by WFP. In shelter, UNDP will coordinate a shelter policy review. Major developments in credit and technology for rural shelter are under way which will benefit in particular the rural poor, using NGOs where possible. UNDP is supporting International Development Association (IDA) investment programmes in the urban sector and new interventions are planned to deal with issues such as urban land use policy and planning and urban poverty. These interventions will draw upon the experience of NGOs, UNICEF and the Ford Foundation.

40. Local-level participation. The Government intends to launch a nationwide training programme on local-level participation and UNDP is expected to support this programme heavily. Based on the local government system, a total village development effort will be implemented, with increased capacity required at all levels to respond to demands so created. The targeted employment and training programmes, education, health, infrastructure and other basic needs will be formulated and coordinated through local-level administration. These programmes will aim to increase local capacities to support such intensified development efforts, both for the upazilas (subdistricts) and the pourashavas (municipalities).

Environment and natural resources management

41. Environmental management. Mounting population pressure on land, water and other natural resources underlines the need to evolve a sustainable balance between people and their environment. Support for this effort is a second priority area for the fifth country programme. There is an urgent requirement to create the capacity to delineate policies, strategies and priorities and to influence the design of sector development programmes towards sustainability, especially in agriculture, water resources and energy, and in relation to developing more effective disaster-preparedness and management programmes. Linkages to global climate change research programmes need to be strengthened, as does subregional cooperation on the more immediate issue of watershed management in the Himalayan range.

42. As the acknowledged coordinator of the donors interested in environmental matters, UNDP has helped to stimulate greater awareness of environmental issues among decision-makers and the general public. A national environmental policy framework has been drawn up through this process. UNDP is currently assisting the Ministry of Forest and Environment to operationalize this framework through the National Environmental Management Action Plan. Support will also be extended to

enhance institutional and technical capabilities with respect to the planning of development, coordination and implementation. The Action Plan will cover identified priorities, including: intersectoral coordination; environmental legislation; chemical pollution; surveys of ecological areas at risk; national trends in resource use; definition of environmental standards; and assistance to the private sector in implementing environmental measures. Collaboration with NGOs is a key modality. Closer integration of Environmental Action Plan and Flood Action Plan activities will be encouraged. Effective disaster-preparedness measures will be identified and reinforced.

43. The most critical resource factors in the development of Bangladesh are land, water and energy, and each will be a distinct programme area for UNDP.

44. Water Resources. The Government has adopted a holistic approach to developing water resources; institutional-strengthening for planning and management of water is essential for this approach to succeed. The UNDP role in the sector is well defined and includes major interventions in water resources, planning and information, institution-building, command area development, river hydraulics research, flood control, drainage and flood forecasting. The 1987 National Water Plan, predicated on conjunctive water use, was developed with UNDP assistance. The 1989 Government-UNDP Flood Policy Study provided significant guidelines for the present Flood Action Plan, co-ordinated by the World Bank.

45. UNDP is currently supporting integrated water resources management and flood control through the South-East and South-West regional studies and through technical co-ordination mechanisms. These planning and pre-investment studies address interrelationships between structural interventions, local water regimes, ecologies, social, economic and agricultural practices. National research capabilities in river hydraulics, geomorphology and hydrology will be reinforced and, in parallel, the national water resources information database and network will be rehabilitated. UNDP will also sponsor a longer-term institutional development subprogramme to help water resources agencies to work more closely with beneficiaries so that they may participate more effectively in resource planning and in project preparation, execution, operation and maintenance, monitoring and evaluation.

46. Land use. The Government plans to establish an effective land-use classification and ownership recording system (using geographic information systems and management information services) in order to bring more land, including reclaimed land, into effective use and as a forerunner to any effort at land reform. It will also help to integrate agricultural, urban and environmental programming and provide the basis for UNDP interventions throughout the decade in supporting improved land use.

47. The combination of rice-based mono-cropping patterns and low productivity techniques and current land tenure systems have led to the depletion of soil fertility. The Government's objectives in agriculture focus on promoting sustainable increases in crop agricultural productivity by supporting the shift from high-risk, monsoon-dependent cereal production to lower-risk, irrigated cultivation. These changes are accompanied by the liberalization of input trade,

the identification of new technologies for irrigated agriculture, strengthened research and extension linkages and the reorientation of extension services. The promotion of women's role in mainstream agricultural production is a priority.

48. UNDP involvement in agriculture will support sustainable production through the Government's accelerated cereals programme by:

(a) Strengthening planning, programming and monitoring capabilities at the Ministry of Agriculture and line agencies;

(b) Identifying and disseminating location-specific, high-yielding technologies with appropriate input packages under irrigated conditions. Crop diversification and soil fertility improvement will proceed in parallel. Marketing, credit, farmer-training, demand-oriented research, equipment maintenance, on-farm water management, and integrated pest management will be supporting emphases;

(c) Increasing yields under rain-fed agriculture using innovative research and extension methodologies. This will complement poverty alleviation programmes for small farmers.

49. A special focus on improving forests and fisheries management and conservation is planned to help counteract the rapid depletion of these important resources. Institutional development, strengthened planning, technology improvement, professional training and community schemes will contribute to more sustainable supplies and yields. Expanding agro-forestry and afforestation will also help reduce the rural fuelwood crisis and relieve pressure on land.

50. Although traditionally perceived as being bereft of minerals and other economic natural resources, Bangladesh has pursued the exploitation of natural gas and also oil with considerable success. Current plans aim at exploiting coal deposits as well. The major concerns of UNDP in the sector relate to land use and the environment. The national energy mix is insufficiently diversified despite prospects for alternative energy development (liquid petroleum gas, solar energy and mini hydropower). This results in the overexploitation of domestic commercial fuels and biomass (fuelwood and crop residues). A specific sector strategy is being developed to identify the way forward.

Economic management and administrative restructuring

51. The pursuit of planned development, poverty alleviation and human development in an environmentally sound and sustainable manner requires attention to the economic and administrative management of the country. It also calls for consensus on social goals and strategies, recognition of the role of various groups in the development process, including that of women, improvements in the extremely low savings and investment rates and increases in productivity and participation rates.

52. In response to these requirements, the Government is aiming to promote the "efficiency culture" based on a more relevant and effective education system, increased investment in human development, greater community involvement in the

social development process and more modern productivity programmes. The administrative restructuring of government machinery for development is a related priority. This strategy is expected to raise the level of available resources for development as well as to improve the efficiency of resource utilization. Training, management and institutional development will be critical elements.

53. UNDP and its United Nations system partners have a comparative advantage in supporting the Government's efforts, again because of neutrality and access to the relevant experiences of other developing countries. The main areas of intervention for the UNDP programme are outlined below.

54. Planning. A comprehensive programme to upgrade and increase the relevance of planning tools and procedures will facilitate the whole development process. The areas of support envisaged are in statistics (especially for economic modelling and forecasting for local-level planning) evaluation, debt management, and aid programming and management. Developing cross-sectoral planning capacity in such areas as employment, technology, women in development, poverty alleviation, nutrition and food aid, and strengthening planning cells in technical ministries are other priorities.

55. There is at present considerable dysfunction in the resource planning and programming cycle in Bangladesh. One improvement would be to increase local resource mobilization, the other to enhance the use of aid. The planning and programming of development activities requires overall reform, including restructuring the role of the Planning Commission and the integration of projects into the priority development programmes of the ministries. This implies that the Government should play a stronger role in aid programming and coordination to ensure congruence between domestic and foreign priorities and to seek out new ways of reducing aid dependence. In this context, the central focus for improvement should be the implementation of new aid policies and programmes based on the UNDP-supported studies of project aid, commodity aid and technical cooperation as well as the WFP-supported SIFAD task force on food aid. Technical cooperation, in particular, requires more concerted attention, given its importance for capacity-building and for human development.

56. Aside from planning links at the macroeconomic, sectoral and local level, a necessary strategy for resource mobilization is to stimulate more effective participation of the various interested groups at the village and subdistrict levels of society. In testing various approaches to local-level planning, an extensive and sustained training and action research programme is needed as well as steps to strengthen planning and coordination activities at the subdistrict level.

57. Administrative restructuring. Support is required to sustain the Government's policy of decentralization and devolution, including improved needs analysis for institutional development in critical government ministries. A suitable programme will be developed in administrative restructuring, including selective interventions in civil service reform, commercialization/privatization of services and modernization of development administration through modern management information services and techniques. Sector and subsector programmes will focus on training and administrative restructuring in power, natural gas, shipping,

engineering and chemicals, transport (railway, roads and inland water) and the urban sector, both in the metropolitan cities and municipal corporations.

58. Economic management. Accountability and efficiency at all levels require improvement, especially in devolving autonomy to operational units, in further privatizing public sector industrial units and in planning, managing, monitoring and evaluating the use of resources, both public and private. At the macroeconomic level, the rationalization of current and development budgets is urgent. It is particularly important to increase capacity to design an appropriate structural adjustment programme likely to be effective and sustainable under Bangladesh socio-economic conditions. In this effort, the focus would be on employment and poverty alleviation programmes and on stimulating the generation of local resources for development. In addition, trade, industry and technology policies require integration and coherence for long-term industrial expansion based on export growth and expansion of the domestic market. A national productivity campaign is needed to promote efficiency in work. Management training is required at all levels and sectors of industry.

59. Technology for development. The importance of technology for development is recognized by the Government though resource allocations are still modest in comparison to needs and potential. Mechanisms for technology adaptation and delivery in industry and other sectors are not yet fully developed. Within industry, technological options need to be developed in such subsectors as textiles and leather, chemicals, electronics, food processing and small-scale engineering. The transfer of know-how from outside and within the country should be accelerated through modalities such as UNISTAR, twinning arrangements, technical exchanges at shop-floor level and the promotion of local industrial consulting. UNDP is supporting the articulation of a cross-sectoral programme in technology for development. Support for the modalities described above will also be provided.

C. Unprogrammed reserve

60. As noted in paragraph 26, there is an unprogrammed reserve of $1.79 million.

Notes

1/ The following extract from the draft of the fourth Five-Year Plan is noteworthy in this connection:

> "The group-based approach is emphasized ... because in the sector-based approach, the relatively poor and the disadvantaged remain scattered in the economy. If sector-based plans are integrated with group-based plans, there will be greater possibilities of poverty alleviation along with rapid economic growth. With this end in view, the entire population has been divided into ten socio-economic groups ... among these, the landless, small farmers, rural and urban informal groups are relatively poor and disadvantaged (and) account for 50 per cent of the population ... each sectoral plan should contain programmes and policies to help and support the disadvantaged group".

Notes (continued)

2/ A relevant and effective education system, increased investment in human development, greater community involvement in the social development process and modernized productivity programmes are the vital elements of an "efficiency culture".

3/ As defined in the draft of the fourth Five-Year Plan, "the primary inputs of the 'residual factor' are technology development, the use of appropriate and modern technology development of human resources, administrative and management efficiency, intersectoral linkages, internal and external economies in production, expansion of the external market, etc.".

Annex

FINANCIAL SUMMARY

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING			
A. UNDP-administered sources	**$**		**$**
Fourth cycle IPF balance	19 530 000		
Fifth cycle IPF (Jan 92-Jun 95)	114 220 000		
Subtotal IPF			133 750 000
Government cost-sharing	1 000 000		
Third-party cost-sharing	2 000 000		
Operational funds under the authority of the Administrator (UNCDF, including $6 million carry over)	20 000 000	a/	
UNDP special trust funds			
Subtotal, UNDP non-IPF funds			23 000 000
			156 750 000
B. Other sources			
Funds from other United Nations agencies or organizations firmly committed as a result of the country programme exercise	-		-
Parallel financing from non-United Nations sources	-		-
Subtotal, other sources			-
TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING			156 750 000
II. USE OF RESOURCES			
Ongoing projects	42 349		
New project proposals	64 791		
Allocation by objectives	47 820		
Subtotal, programmed resources			154 960 000
Unprogrammed reserve			1 790 000
TOTAL RESOURCES (programmed and reserve)			156 750 000

a/ The exact UNCDF allocation will depend on the feasibility of individual projects included in the programme; the duration of UNCDF commitments under its programme may exceed the duration of the programme period.

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PROGRAMME PLANNING

Country and intercountry programmes and projects

FIFTH COUNTRY PROGRAMME FOR BANGLADESH

Note by the Administrator

I. PROCESS OF THE PROGRAMMING EXERCISE

1. The country programming exercise began with the mid-term review of the fourth country programme, held in April 1989. The substantive recommendations of the review - in brief to emphasize human development, economic management and the environment rather than physical infrastructure - were confirmed in the Advisory Note and in fact are also the central themes of the Government's fourth Five-Year Plan (July 1990 to June 1995). Thus, the recommendations of the Advisory Note are fully reflected in the content of the country programme. The country programme exercise was formally launched with the Advisory Note of June 1990 and the Government has expressed concurrence with the country programme document, which was finalized in December 1991.

2. Another major conclusion of the mid-term review was that the formulation and implementation of the fourth country programme reflected the deficiencies of the third Five-Year Plan. As in the case of the third Plan itself, programme formulation was weak because the projects were selected ahead of country programme objectives. Consequently, a lengthy review of priorities became necessary during programme implementation. In the current fourth Five-Year Plan, however, the Government has focused on setting strategies and programmes which aim at transforming society and which adopt a human-centred approach to development through better managed growth with greater social equity. These strategies will themselves require considerable formulation before they begin to have an impact on development. At the same time, severe resource constraints and the large number of

spillover projects from the third Plan have required the Government to conduct a strict priority setting exercise in 1990. In addition to reflecting the results of this exercise in the firm pipeline, the emphasis in the fifth country programme has been to allocate resources in support of the major human development strategies of the Government.

3. Programming efforts were initiated through a series of missions in the following areas: environment (the United Nations Development Programme (UNDP)), science and technology (UNDP), education (the United Nations Educational, Scientific and Cultural Organization (UNESCO)), population (the United Nations Population Fund (UNFPA) and the International Development Association (IDA)), information technology (UNDP), management development (UNDP), urban sector (the United Nations Centre for Human Settlements (Habitat) (UNCHS)), local-level planning and macro-planning (the United Nations Department for Technical Cooperation for Development (UNDTCD)), crop agriculture (the Food and Agriculture Organization of the United Nations (FAO)), women in development (UNDP), water supply and sanitation (UNDP, the United Nations Children's Fund (UNICEF), IDA), rural energy (UNDP), flood action plan (IDA), and disaster mitigation (UNDP). The majority of these programming exercises were financed from Development Support Services (DSS), Special Programme Resources (SPR) or through indicative planning figure (IPF)-financed projects. Thus, the fifth country programme reflects these priority programme areas and in each case, the nature and scope of the UNDP support will be further defined through continuous programming. Attention has also been paid to the UNDP role in implementing the recommendations of the report on "Strengthening the Institutions for Food-Assisted Development" (SIFAD), jointly supported by the Government, donors and WFP. In addition, consultations are ongoing to identify other donor inputs which may be required for co-financing or cost-sharing.

4. Another major element of the fifth country programme will be to operationalize the results of the "Study and Evaluation of the Impact of Technical Assistance in Bangladesh" (SEITAB), which complements work already done in the areas of commodity and project aid. The results of the study were available only towards the end of the programming exercise. The Government has agreed to formulate new technical assistance policy and programming procedures, on the basis of this study, which will be discussed at a local consultations group meeting, the principal donor coordinating mechanism in Bangladesh. The study puts particular emphasis on needs assessment for capacity-building and to extending the overall SEITAB methodology to other sectors.

5. Since February 1990, a steering committee chaired by the External Resources Division has met within the framework of the Joint Consultative Group on Policy (JCGP), involving UNDP, UNFPA, UNICEF, WFP, the International Fund for Agricultural Development (IFAD) and also included the World Health Organization (WHO). Consequently, collaborative programmes are being developed in areas of common concern such as population, health systems, nutrition, maternal and child care, education, food for work for development and rural credit, and grass-roots development.

6. The fifth country programme has close links to the priorities for the intercountry programme. Furthermore, the government-chaired steering group on the

fifth country programme has directed the various aspects of the programming exercise and provided the link between the work on prioritization, planning, JCGP and SEITAB, to ensure a cohesive approach to the use of UNDP resources.

7. The fifth country programme, which will last four, not five years, will dovetail with the activities of the fourth Five-Year Plan, which began in July 1990. Of the $163.1 million available to Bangladesh in the fifth cycle, an IPF of $114.2 million will be programmed during the period July 1991 to June 1995. This IPF will be augmented by a carry-over of $19.5 million. Other possible non-IPF resources, specifically from SPR and the Special Measures Fund for the Least Developed Countries (SMF/LDC), have yet to be established. A total of $156.75 million is therefore being programmed for the fifth country programme.

II. ANALYTICAL COMMENTARY ON THE FIFTH COUNTRY PROGRAMME

8. The fifth country programme for Bangladesh is the largest LDC programme and the second largest UNDP country programme. There are three programme objectives: (a) poverty alleviation and people's participation in development; (b) environment and natural resources management; and (c) economic management and administrative restructuring. These objectives are highly selective and focus on areas where UNDP technical cooperation could best contribute to the attainment of national goals and priorities. The final selection of these objectives was guided by the country's long-term Perspective Plan (1990-2010) and the fourth Five-Year Plan (1990-1995) on the one hand and, on the other hand, by the UNDP priority themes for the fifth programming cycle as stipulated in Governing Council decision 90/34. Approximately one third of the programme resources are allocated to each of the objectives.

9. In Bangladesh, UNDP is well established as a principal partner for development thanks to its neutrality, its in-country presence, its access to diverse sources of information and its development experience world wide. In this capacity, UNDP has played an important role in assisting the Government to assess and identify new programme areas and, through this process, to mobilize and catalyse other donor contributions, often in the form of joint financing and/or cost-sharing. UNDP has demonstrated leadership particularly in the areas of public policy, sector planning, institution-building and development planning at central and local levels. These advantages are especially relevant to the design and implementation of human development programmes for which new institutional capabilities will have to be created. In environmental and natural resource management, UNDP is acknowledged as a catalyst with its sponsorship of such influential initiatives as the national environmental action plan, the agriculture sector review and the flood action plan.

10. In cognizance of this unique position, it has been agreed that the fifth country programme, in addressing the three programme objectives, should focus on assisting the Government in: (a) policy-level analysis, sector- and thematic-based programming initiatives, master plans and reform programmes; (b) independent assessment of investment feasibility and support for studies in innovative areas; (c) articulation and support to the strategies of the fourth Five-Year Plan, especially the focus on human development; and (d) adherence to needs assessments

as forerunners to capacity-building in priority development programmes. UNDP will continue to play its catalytic role in donor fund mobilization, in programming for the three objectives, and in supporting the Government's efforts in aid coordination.

11. In the light of the mid-term review and the fourth Five-Year Plan, the fifth country programme reflects the new emphasis on human development strategies in the Plan, on mainstreaming women-in-development issues in priority programme areas, on the environment and in such areas as planning, science and technology and economic management. In each case, the criteria used have focused on the role of UNDP in supporting the Government's policy and programming work; in strengthening coordination of donor contributions; improving the efficiency of operations (in Government and in public and private enterprises); and at the same time supporting specific priority sector programmes relevant to major thematic areas. Thus, during the first years of the Plan, considerable further programme work is required in articulating its major strategies. In the meantime, the major sector programmes within the overall strategy have been developed to ensure programme continuity in relevant priority sectors, based largely on the mid-term review recommendations and reviewed in the specific context of the Plan.

12. UNDP is actively involved in aid coordination through the mechanism of the local consultations group and takes the lead in the subgroups on technical assistance, urbanization, environment, disaster mitigation, rural energy, planning, and science and technology. UNDP also participates in the consortium programmes in education, population and health, rural infrastructure, water resources, fisheries and forestry, cereal production, enterprise reform and finance sector management. There are a number of areas where a programme approach relating to the Government's sectoral priorities is being promoted, initially focusing on interventions in education, environment, agriculture, water and in planning. The area of greatest uncertainty is administrative restructuring, where further dialogue is necessary to define specific interventions.

III. MANAGEMENT OF THE FIFTH COUNTRY PROGRAMME

13. The management of the fifth country programme needs to reflect the dynamic aspects of the Five-Year Plan strategies and the constraint of resource-bound annual programming of the Government development programme. To facilitate this process, the Government has established steering and working group mechanisms. Regular meetings at the working level will also expedite day-to-day decision-making on the implementation of the programme. The mid-term review and annual reviews will use the steering group and working group mechanisms. This approach, involving interministerial meetings when necessary, will help to reduce the delays which have been of concern to the general donor community and which are being addressed over the longer term through the implementation of the recommendations of the project aid utilization study and SEITAB project, funded by UNDP.

14. The Government has also taken the initiative to create a steering group on joint programming, in line with General Assembly resolutions on the subject. This is expected to help the United Nations system focus its efforts in support of the

development of Bangladesh. In the implementation of the technical assistance policy now being formulated on the basis of the recommendations of the SEITAB study, it is expected that the group will be broadened by other donors to discuss overall policy and programming issues related to technical cooperation.

15. The Government is committed to national execution. The task force established to facilitate its generalization is working on a manual for National Project Directors and a series of training programmes in 1991 for them, their assistants and accountants, so that the recent rapid expansion (from nil to 12 operational and pipeline projects) may be sustained in the fifth country programme.

16. In order to improve management capacity and enhance programme cohesion and impact, attempts will be continued to reduce the number and increase the size of UNDP projects. This was one of the practical recommendations for the streamlined management of the fifth country programme highlighted by the mid-term review of 1989.

17. The Government also believes strongly in capacity-building through development of the local consultancy industry. In a number of sectors, specific interventions will be made to develop that capacity further. The Transfer of Knowledge through Expatriate Nationals (TOKTEN) programme has grown rapidly and is expected to become an established modality for effective transfer of technologies and know-how. Efforts will also be made to increase the use of non-governmental organizations (NGOs) for programme activities and of United Nations volunteers as well. Increased application of the technical cooperation among developing countries (TCDC) modality will be attempted in the areas of agriculture, environment, education and industrial development, while Bangladesh is able to share its successful experience in grass-roots development through NGOs.

IV. RECOMMENDATION

18. In summary, the fifth country programme for Bangladesh supports the new direction and strategies for national development as adopted in the fourth Five-Year Plan documents. It focuses on policy level analysis, programming initiatives, master plans, feasibility assessment and human development and capacity-building in the three priority areas, and will catalyse and cooperate with other donor inputs. Thus, the Programme ensures the use of UNDP technical cooperation in such a way as to maximize its impact and its contribution towards the attainment of the stated national goals and objectives. It is also directly in line with the Governing Council's stipulations on the global priority focus areas for the fifth programming cycle.

19. The Administrator recommends that the Governing Council approve the fifth country programme for Bangladesh.